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ROMNEY, HEALEY ANNOUNCE \$2M FOR FIRST-TIME HOMEBUYERS

Below-market mortgages available to low-and moderate income families

The Romney administration today delivered \$2 million to 44 communities and 13 regional organizations across the Commonwealth to help hundreds of low- and moderate-income families in Massachusetts turn the dream of home ownership into reality.

“The rising cost of housing has kept the dream of owning a home out of reach for too many families in Massachusetts,” said Governor Mitt Romney. “It is important that we continue to target our state resources into programs which bridge that financial gap and increase affordable homeownership opportunities for families throughout the Commonwealth.”

“To keep our economy strong and our state competitive, we must use a wide variety of financial resources to expand our supply of housing,” added Lieutenant Governor Kerry Healey. “The Soft Second Loan program is just one more tool the state has to help ease our housing crunch and make homeownership available to our hard working families.”

The funds awarded are from the state’s Soft Second Loan program administered by the Department of Housing and Community Development (DHCD) in conjunction with the quasi-public Massachusetts Housing Partnership Fund (MHP). The program reduces homeowner-borrowing costs by combining a conventional first mortgage with a subsidized “second mortgage.”

First-time homebuyers are qualified based on the first mortgage, which can be up to 77 percent of the purchase price. The soft second mortgage is the greater of 20 percent of the purchase price or \$20,000 and the remaining three percent is the buyer’s down

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payment. The state subsidizes interest payments on the second mortgage for the first nine years and the borrower pays interest after 10 years, but makes no principal payments until the 11th year. Splitting the total mortgage also allows the borrower to avoid the additional expense of private mortgage insurance, which is generally required when the loan exceeds 80 percent of the property value.

Since its inception in 1991, the Soft Second Loan program has helped more than 7,100 low- and moderate-income families purchase their first home.

“We are delighted to once again to work with the Massachusetts Housing Partnership Fund to administer the Soft Second Loan program,” said DHCD Director Jane Wallis Gumble. “With its low down payment and lower monthly payments, the program can make owning a home attainable for many low- and moderate-income families.”

“With housing prices across the Commonwealth at record levels, working families of low and moderate income are having a hard time buying their first home,” said Clark Ziegler, MHP Executive Director. “The Soft Second Program is one of the most effective things a community can do to help these families because with very little public investment, working families can gain access to the necessary bank financing to buy a home and set down roots in their community.”

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Complete award list attached below.

Community**2004 Award**

Acton	\$10,000
Attleboro	\$10,000
Beverly	\$10,000
Boston	\$500,000
Boxborough	\$35,000
Braintree	\$10,000
Brockton	\$30,000
Brookline	\$50,000
Cambridge	\$50,000
Chicopee	\$20,000
Clinton	\$10,000
Danvers	\$10,000
Fairhaven	\$10,000
Fall River	\$20,000
Fitchburg	\$10,000
Framingham	\$20,000
Gloucester	\$50,000
Haverhill	\$20,000
Hingham	\$10,000
Holyoke	\$10,000
Hudson	\$10,000
Ipswich	\$10,000
Lawrence	\$40,000
Leominster	\$10,000
Lynn	\$80,000
Marlborough	\$10,000
Methuen	\$10,000
Nantucket	\$30,000
New Bedford	\$20,000
Newton	\$40,000
Norwood	\$30,000
Plymouth	\$15,000
Quincy	\$20,000
Randolph	\$10,000
Salem	\$20,000
Saugus	\$15,000
Somerville	\$15,000
Swampscott	\$10,000
Watertown	\$10,000
Weymouth	\$20,000
West Brookfield	\$10,000
Winthrop	\$10,000
Worcester	\$50,000

<u>Group</u>	<u>2004 award</u>
Barnstable County Commissioners (1)	\$50,000
Berkshire County	\$10,000
Coastal First Time Homebuyer (2)	\$40,000
Community Service Network, Inc. (3)	\$15,000
Community Teamwork, Inc. (4)	\$40,000
Dukes County	\$30,000
Franklin County Regional (5)	\$25,000
HAP, Inc. (6)	\$150,000
Metro West Consortium (7)	\$10,000
North Suburban Consortium (8)	\$140,000
Pro Home (9)	\$30,000
RCAP (10)	\$15,000
South Shore HDC (11)	\$20,000

- (1) Barnstable County Commissioners serve Cape Cod communities
- (2) Coastal First Time Homebuyers represents the Amesbury, Salisbury, Merrimac, Newburyport area
- (3) Community Service Network serves Burlington, Lexington, North Reading, Reading, Stoneham, Wakefield, Wilmington, Winchester
- (4) Community Teamwork, Inc. serves communities in northeast Middlesex County and much of Essex County
- (5) Franklin County Regional Housing & Redevelopment Authority will service 26 towns in Franklin County
- (6) HAP serves Hampden and Hampshire counties as well as North Adams and Dalton.
- (7) Metro West Consortium serves Ashland, Grafton, Holliston, Hopedale, Hopkinton, Stow
- (8) North Suburban Consortium includes Malden, Chelsea, Everett, Revere, Medford, Melrose, Arlington
- (9) Pro Home includes Berkley, Dighton, Easton, Mansfield, Norton, Raynham, Taunton
- (10) RCAP serves Ashburnham, Auburn, Ayer, Barre, Bolton, Brookfield, Groton, Hardwick, Millbury, Oxford, Pepperell, Phillipston, Princeton, Shirley, Spencer, Townsend, Warren and Westminster.
- (11) South Shore HDC serves communities in Plymouth & Bristol Counties.